

AMENDMENT CHANGES POSTED

MUTUAL LOGISTICS SUPPORT AGREEMENT  
BETWEEN  
THE GOVERNMENT OF THE UNITED STATES OF AMERICA  
AND  
THE GOVERNMENT OF THE REPUBLIC OF KOREA

PREAMBLE

The Government of the United States (U.S.) of America and the Government of the Republic of Korea (ROK), under the purview of the basic spirit of the Mutual Defense Treaty of October 1, 1953,

Desiring to further the rationalization, interoperability, readiness, and effectiveness of their respective military forces through increased logistics cooperation, and

Desiring to establish basic terms and conditions for provision of mutual logistic support, supplies, and services,

Have resolved to conclude this mutual logistic support agreement.

## ARTICLE I

### APPLICABILITY

1. This Agreement applies to

This agreement applies to the provision of logistics support, supplies, and services to the military forces of one Party in return for the reciprocal provision of logistics support, supplies, and services to the military forces of the other Party.

a. By the military forces of the two nations in the military region in which the ROK is located. For transactions in the military region in which the ROK is located, only logistic support, supplies, and services in the inventory, or otherwise under the jurisdiction and control, of forces deployed in the military region may be transferred under this Agreement.

b. By the military forces of the two nations in North America while forces of the ROK are stationed in North America or performing exercises or training therein. For transactions in North America, only logistic support, supplies, and services in the inventory, or otherwise under the jurisdiction and control, of forces in North America may be transferred under this Agreement.

2. The parties understand that this Agreement will not be employed in a manner to serve as a routine and normal source for supplies and services:

(a) reasonably available from U.S. or ROK commercial sources; or (b)

## ARTICLE II

### DEFINITIONS

As used in this Agreement and in any implementing arrangements which provide specific procedures, the following definitions apply:

- a. **Logistic Support, Supplies, and Services.** Food, billeting, transportation (except airlift), petroleum, oils, lubricants, clothing, communication services, medical services, ammunitions, base operations support (and construction incident thereto), storage services, use of facilities, training services, spare parts and components, repair and maintenance services, and airport and seaport services.
- b. **Implementing Arrangement.** An implementing arrangement is a supplementary arrangement related to specific logistic support, supplies, or services, which sets forth the additional details, terms, and conditions to further define and carry out this Agreement.
- c. **Order.** An order, when in its proper form and signed by an authorized official (see Article III, paragraph 2 below), is a request for the provision of specific logistic support, supplies, or services pursuant to this Agreement and applicable implementing arrangement(s), if any.

acquirable from the U.S. through Foreign Military Sales procedures under the Arms Export Control Act. Acquisitions and transfers under this Agreement are subject to annual dollar limitations established by U.S. and ROK law and regulations, and to implementing arrangements incident to this Agreement. The Agreement is designed to facilitate mutual logistic support between the U.S. and the ROK to be used primarily during combined exercises, training, deployments, operations, or other cooperative efforts, and for unforeseen circumstances or exigencies in which the recipient may have a temporary need for logistic support, supplies, and services. Annual U.S. and ROK monetary limitations do not apply during periods of active hostilities.

3. Excluded from acquisition or transfer are major end items of equipment, initial quantities of replacement parts, and spares associated with the initial order quantity of major items of organizational equipment covered in tables of allowances and distribution, tables of organization and equipment, or equivalent documents. Other specific items may be excluded from acquisition or transfer by U.S. or ROK law, directive, or policy.

d. Invoice. An invoice is a document from the supplying party which requests reimbursement or payment for specific logistic support, supplies, or services rendered pursuant to this Agreement and applicable implementing arrangement(s), if any.

e. United States Forces, Korea (USFK) Component Commands. Eighth United States Army (EUSA); United States Air Forces, Korea (USAFK); and United States Naval Forces, Korea (USNFK). Additionally, United States Marine Forces Korea (USMARFORK) when established.

~~f. Military Region. The geographical area of responsibility assigned to the commander of a unified combatant command. (For the ROK, this is the U.S. Pacific Command geographic area of responsibility.)~~

## ARTICLE III

### BASIC TERMS AND CONDITIONS

1. Each party agrees to utilize its best endeavors, consistent with national priorities, to satisfy requests of the other party for logistic support, supplies, and services, during the period of the Armistice and during periods of national emergency or active hostilities.
2. Each party agrees that the transfer of logistic support, supplies, and services between the parties shall be accomplished by orders issued and accepted under this Agreement and any applicable implementing arrangement. Orders may be issued under this Agreement alone without an implementing arrangement only in those cases set forth in Annex A.

"Implementing arrangements may be negotiated on the part of the U.S. by either USFK or a USFK Component Command as authorized by the Commander or designee when operations are conducted within the Pacific Command (PACOM) or with PACOM units, and on the part of the ROK by either the Director, Logistics Bureau, Ministry of National Defense (MND) or individual ROK military services. When operations are conducted outside PACOM, Implementing Arrangements may be negotiated on the part of the United States by authorized U.S. Headquarters in coordination with PACOM."

~~services.~~ Whether the transfer is accomplished by orders under this Agreement alone or in conjunction with an implementing arrangement, the documents taken together must set forth all necessary details, terms, and conditions to carry out the transfer, including the data elements in Annex B.

3. The parties will endeavor to adopt a standard order form. An implementing arrangement will generally identify those personnel authorized to issue and accept orders. The parties will notify each other of specific authorizations or limitations on those personnel able to issue or accept orders directly under this Agreement or under an implementing arrangement, when the implementing arrangement does not state this information. In the case of the U.S. these notifications will go directly to the USFK Component Command concerned. In the case of the ROK, these notifications will go to the proper Services, as well as to the Logistics Bureau, MND.

4. For any transfer of logistic support, supplies, or services, the parties may negotiate for payment either in cash (a 'reimbursable transaction') or replacement in kind (an 'exchange transaction'). The receiving party will pay the supplying party in accordance with either paragraph 4a or 4b below.

a. Reimbursable Transaction. The supplying party will submit invoices to the receiving party after delivery or performance of the logistic support, supplies, or services. Both parties will maintain records of all transactions, and each party will pay outstanding balances not less frequently than quarterly. In pricing a reimbursable transaction, the parties agree to

the following principles:

(1) In the case of specific acquisition by the supplying party for a receiving party, the price will be no less favorable than the price charged the armed forces by the contractor of the supplying party for identical items or service, less any amounts excluded by Article IV of this Agreement. The price charged may take into account differentials due to delivery schedules, points of delivery, and other similar considerations.

(2) In the case of transfer from the supplying party's own resources, the supplying party will charge the same price it charges its own forces for identical logistic support, supplies, or services as of the date the order is accepted, less any amounts excluded by Article IV of this Agreement. In any case where a price has not been established or charges are not made for one's own forces, the parties will agree on a price in advance, excluding charges that are precluded under the reciprocal pricing principles.

(3) Each party agrees that these reciprocal principles preclude the charging of indirect costs (including charges for plant and production equipment), administrative surcharges, and contract administration cost.



b. Exchange Transaction. Both parties will maintain records of all transactions. The receiving party will repay in kind by transferring logistic support, supplies, or services that are satisfactory to the supplying party and which are identical, or substantially identical, to the logistic support, supplies, or services delivered or performed by the supplying party. Exchanging dissimilar items is expressly prohibited. If the receiving party does not pay in kind within the terms of a replacement schedule agreed to or in effect at the time of the original transaction, with timeframes which may not exceed one (1) year from the date of the original transaction, the transaction shall be deemed reimbursable and governed by paragraph 4a above, except that the price will be established based upon the date the payment in kind was to have taken place.

5. When a definite price for the order is not agreed upon in advance, the order, pending agreement on final price, will set forth a maximum limitation of liability for the party ordering the logistic support, supplies, or services. The parties will then promptly enter into negotiation to establish the final price.

6. The invoice will contain an identification of the applicable implementing arrangement or, in the absence thereof, this Agreement, and will be in the format set forth by the supplying organization. The invoice will be accompanied by evidence of receipt by the party receiving the logistic support, supplies, or services.

7. The parties agree to grant each other access to procurement documentation and information sufficient to verify, when applicable, that reciprocal pricing principles have been followed and prices do not include waived or excluded costs.

8. No term in this Agreement shall serve as a basis for an increased charge for logistic support, supplies, or services, if such logistic support, supplies, or services would be available without charge, or for a lesser charge, under the terms of another agreement.

9. In all transactions involving the transfer of logistics support, supplies, or services, the receiving party agrees that such logistic support, supplies, or services will not be retransferred, either temporarily or permanently, by any means to other than the forces of the receiving party without prior written consent of the supplying party.

## ARTICLE IV

### EXCLUDED CHARGES FOR PRICE DETERMINATION

Provisions of tax and customs relief agreements applicable to the acquisition of materials, services, supplies, and equipment by the receiving party will apply to logistic support, supplies, and services transferred under this Agreement. The parties will cooperate to provide proper documentation to maximize tax relief. In the case where taxes or customs duties for which a receiving party would ordinarily have an exemption have already been paid by the supplying party and cannot be recovered, the supplying party will advise the receiving party prior to agreeing to the transaction. In such a case, the receiving party may, if practicable, replace the supplies as an exchange transaction in lieu of reimbursement for the supplies. If replacement in kind is not practicable, the price paid by the receiving party will include only those taxes or customs duties not recoverable by the supplying party.

## ARTICLE V

### INTERPRETATION AND REVISION

1. Each party agrees to make a good faith effort to resolve disagreements between the parties with respect to the interpretation or application of this Agreement. In the case of an implementing arrangement or transaction, the parties will make a good faith effort to resolve any disagreements with respect to interpretation or application of the arrangement or transaction. Resolution will be by negotiation and will not be referred to an international tribunal or third party for settlement.

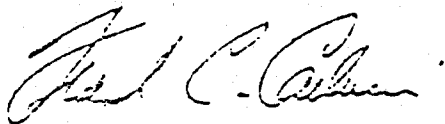
2. Either party may, at any time, request revision of this Agreement by giving the other party 90 days notice. In the event such a request is made, the two parties shall promptly enter into negotiations.

EFFECTIVE DATE AND TERMINATION

This agreement will become effective on the date of the last signature and will continue in effect until terminated by either party giving not less than 180 days notice in writing to the other party.

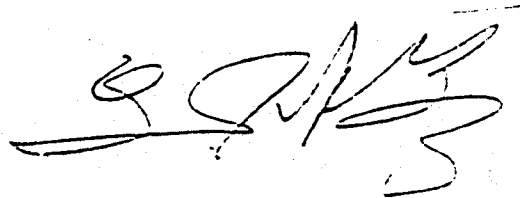
Done at Seoul on 2 June 1958  
in two (2) originals in the English language, and two (2) originals in the Korean language, all texts being equally authentic.

FOR THE GOVERNMENT OF THE  
UNITED STATES OF AMERICA



SECRETARY OF DEFENSE

FOR THE GOVERNMENT OF THE  
REPUBLIC OF KOREA



MINISTER OF NATIONAL DEFENSE

## ANNEX A

Pursuant to Article III, paragraph 2, orders or requisitions may be issued against this Agreement alone in the following circumstances:

- a. Orders placed during times of increased tension or active hostilities;
- b. Orders for logistic support, supplies, and services urgently required and not covered by an implementing arrangement, provided the parties agree through representatives who are otherwise authorized to negotiate an implementing arrangement.

## ANNEX B

### MINIMUM ESSENTIAL DATA ELEMENTS

- (1) Implementing arrangements, or support agreement if no implementing arrangement
- (2) Date of order
- (3) Designation and address of office to be billed
- (4) Numerical listing of stock numbers of items, if any
- (5) Quantity and description of material/services requested
- (6) Quantity furnished
- (7) Unit of measurement
- (8) Unit price in currency of billing country
- (9) Quantity furnished (\*6) multiplied by unit price (\*8)
- (10) Currency of billing country
- (11) Total order amount expressed in currency of billing country
- (12) Name (typed or printed), signature, and title of authorized ordering or requisitioning representative
- (13) Payee to be designated on remittance
- (14) Designation and address of office to receive remittance
- (15) Recipient's signature acknowledging service or supplies received on the order or requisition or a separate supplementary document

- (16) Document number of order or requisition
- (17) Receiving organization
- (18) Issuing organization
- (19) Transaction type
- (20) Fund citation or certification of availability of funds when applicable under parties' procedures
- (21) Date and place of original transfer; in the case of an exchange transaction, a replacement schedule including time and place of replacement transfer
- (22) Name, signature and title of authorized acceptance official
- (23) Additional special requirements, if any, such as transportation, or packaging
- (24) Limitation of government liability
- (25) Name, signature, date, and title of supplying party official who actually issues supplies or services



FJ-PRM-PT

MEMORANDUM OF TRANSLATION

SUBJECT: Certification of Foreign Language Text

I have personally reviewed the English and Korean language texts of the Protocol to Amend the War Reserve Modern Munitions Agreement between the Secretary of Defense, as agent for the Department of Defense of the United States of America, and the Minister of National Defense, as agent for the Ministry of National Defense of the Republic of Korea, and certify as a Secretary of Defense-designated translator that the English and Korean texts are in conformity with each other and that both texts have the same meaning in all substantive respects.

HO CHOE

SSG, USA

NCOIC, Translation Section

AMENDMENT ONE TO MUTUAL LOGISTICS SUPPORT AGREEMENT  
BETWEEN

THE GOVERNMENT OF THE UNITED STATES OF AMERICA

AND

THE GOVERNMENT OF THE REPUBLIC OF KOREA

1. The Parties to the Basic Agreement dated 8 June 1988 agree to amend it as follows:

a. Paragraph 1, Article I, APPLICABILITY is deleted in its entirety. The following language is inserted in its place:

This agreement applies to the provision of logistics support, supplies, and services to the military forces of one Party in return for the reciprocal provision of logistics support, supplies, and services to the military forces of the other Party.

b. Paragraph f, Article II, DEFINITIONS is deleted in its entirety and is not replaced.

c. Third sentence, Paragraph 2, Article III, BASIC TERMS AND CONDITIONS, change to read:

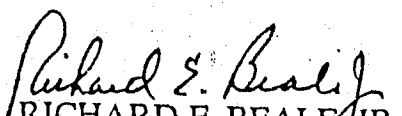
"Implementing arrangements may be negotiated on the part of the U.S. by either USFK or a USFK Component Command as authorized by the Commander or designee when operations are conducted within the Pacific Command (PACOM) or with PACOM units, and on the part of the ROK by either the Director, Logistics Bureau, Ministry of National Defense (MND) or individual ROK military services. When operations are conducted outside PACOM, Implementing Arrangements may be negotiated on the part of the United States by authorized U.S. Headquarters in coordination with PACOM."

d. Paragraph 3, Article III, BASIC TERMS AND CONDITIONS, delete "USFK".

2. This amendment will be prepared in two (2) originals in the English language, and two (2) originals in the Korean language, all texts being equally authentic.

3. This amendment will become effective on the date of the last party's signature.

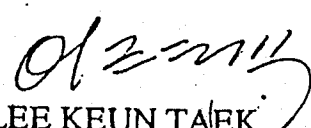
4. This amendment will be attached to and kept as part of the basic Mutual Logistics Support Agreement.

  
RICHARD E. BEALE, JR.  
Brigadier General, USA  
Assistant Chief of Staff, J4

FOR THE DEPARTMENT OF DEFENSE  
OF THE UNITED STATES OF AMERICA

Date: FEB 05 1991

Place: SEOUL, KOREA

  
LEE KEUN TAEK  
Major General, ROKA  
Director, Logistics Bureau, MND

FOR THE MINISTRY OF NATIONAL DEFENSE  
OF THE REPUBLIC OF KOREA

Date: 1991. 2. 5.

Place: SEOUL, KOREA